

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

Serial No.: 09/981,565 Confirmation No.: 7706
Applicant: Andrew C. Gilbert (deceased), et al.
Title: SYSTEMS AND METHODS FOR BID/OFFER SPREAD TRADING
Filed: October 17, 2001
Art Unit: 3694
Examiner: Hai Tran

Atty. Docket: 01-1040
Customer No. 63710

PRE-APPEAL BRIEF REQUEST FOR REVIEW

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Commissioner for Patents
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By this paper, Applicant replies to the Office Action of January 15, 2009 and respectfully requests pre-appeal review of rejections raised therein.

I. Paragraphs 13-18 Rely on Art that Is Excluded Under 35 U.S.C. § 103(c)

Paragraphs 13-18 rely on Fraser '214 and Lutnick '907 to raise obviousness issues under § 103(c). Fraser '214 is not available as obviousness prior art.

At the time the invention of this application was made, both this application and the Fraser '214 application were owned by or under an obligation of assignment to the same company.

The rejections of claims 29-31, 35-37 and 40-46 must be withdrawn.

II. Paragraphs 7-9 Repeat the Same Error that Resulted in Withdrawal of Previous Rejections

Claim 28 recites as follows (paragraph numbering added):

28. A method comprising the steps of:

[i] at a computer system, receiving a first order from a first party, in which the first order indicates a **first spread** with which to **make a market** for a financial instrument and a second spread at which to **make a market** for the financial instrument, and in which the first order includes an acceptance by the first party to participate in the market at the first **spread** and an acceptance by the first party to **make a market** at the second **spread** if the second party accepts the command;

[ii] at the computer system, receiving a second command from the second party, in which the second command comprises at least one of an acceptance of the first spread and an acceptance of the second spread;

[iii] if the second command comprises the acceptance of the first spread, requiring the first party to submit a third command indicating at least one of a buy and a sell of the financial instrument at a price reflecting the first spread, and

[iv] if the second command comprises the acceptance of the second spread, requiring the second party to submit a third command indicating at least one of a buy and a sell of the financial instrument at a price reflecting the second spread.

In previous prosecution, Applicant has noted that claim 28, paragraph [i], recites two features that distinguished previous references:

- (a) a “spread” (that is, a difference between the bid and ask prices, or a simultaneous bid **and** offer at different prices that differ by the spread, see ¶¶ [0012] and [0013] at pages 3-4 of this application), which is different than an ordinary bid **or** offer, which has a single price, and
- (b) “making a market” (that is, entering firm orders on **both** the bid-to-buy side and the offer-to-sell side).¹

Previous rejections over the Kaminsky '967 reference (see Applicant's papers of November. 27, 2008, pages 10-11) and Gary '707 (see Applicant's paper of March 24, 2008, pages 6-7) have been withdrawn, based on the distinction between the two-sided or price-difference aspects of the two claim terms “spread” and “making a market” vs. the one-sided, single-price orders discussed in the Kaminsky '967 and Gary '707 references

The Action of January 2009 suggests that paragraph [i] of claim 28 corresponds to Fraser '214 col. 11, lines 42-53. While the Action designates the portion relied on, it does not “clearly

¹ Barrons' Dictionary of Finance and Investment Terms gives the following definition (emphasis added): “MAKE A MARKET maintain firm bid **and** offer prices in a given security ...”

explain” the pertinence to these two claim terms. No correspondence is apparent, and at the very least the Office Action is procedurally deficient in this respect.

Nonetheless, as the Examiner’s unarticulated position can best be understood, Fraser ’214 appears to be no more relevant than either Kaminsky ’967 or Gary ’707—like the two previous references, the portion of Fraser ’214 designated in the Office Action teaches only one-sided orders. The term “bid/offer” as used in Fraser ’214, col. 11, lines 42-53 is only an abbreviation for the language “bid *or* offer” discussed earlier in Fraser ’214 (see Fraser’s col. 10 and col. 11 up to line 41). That Fraser ’214 is only discussing single-sided prices is further clarified by context, that the “bid/offer” has a “price” (a “spread” would have to have a price difference, or both a bid price and an offer price). That Fraser’s “bid/offer” means a single-sided “bid *or* offer” is further clarified by the use of verbs in singular form. If Fraser ’214 meant “bid/offer” to mean a “bid *and* offer,” the verbs would be plural form. A single-sided bid *or* offer is not “making a market.” Nothing in col. 11 lines 42-53 suggests either a “spread” or “making a market,” two limitations in claim 28.

If any further rejection is raised, Applicant requests compliance with 37 C.F.R. § 1.104(c)(2), which requires that an Office Action *both* designate portions relied on, *and* “clearly explain” the pertinence if there is any ambiguity or question. This will greatly facilitate prosecution, by preventing erroneous rejections, and by making the grounds for correct rejections unambiguous. In particular, Applicant requests that any future Office Action “clearly explain” how any reference corresponds to the “spread” and to the “making a market” limitations of claim 28. This issue has been raised and resolved twice in the past, and the identical issue now arises for a third time. Applicant suggests that “short cutting” and omitting the “clear explanation” required by § 1.104(c)(2) is leading to delay.

III. Claim 32

Claim 32 is dependent on claim 28, and is patentable therewith. Further, claim 32 recites that two “spreads” of two specific orders are the same. The Action suggests that this limitation is met at Fraser ’214, col. 11, lines 45-46, and Fig. elements 606-08. The “pertinence” is not apparent – though there is some discussion of prices being equal, there is no clear explanation in the Office Action of how col. 11, lines 45-46 corresponds to two “spreads” that are equal. The

Office Action is silent on any showing that the two things recited in claims 28 and 32 that are to have the same “spread” correspond in any way to two specific things with the claims’ specific interrelationships.

IV. Claims 33, 34, 38, 39 and 40-46

Claims 33, 34, 38, 39 and 40-46 are either dependent on claim 28, and patentable therewith, or recite “spread” and “make a market” language similar to claim 28, and are patentable for similar reasons.

V. Conclusion

Applicant hereby authorizes the USPTO to communicate with any authorized representative concerning this application by electronic mail.

In view of these remarks, Applicant respectfully submits that the claims are in condition for allowance. Applicant requests that the application be passed to issue in due course. In the event that any rejection is maintained, Applicant requests an explanation of how “spread” is thought to correspond to “price” in a § 102 sense, and how “making a market” corresponds to Fraser’s one-sided orders. The Examiner is urged to telephone Applicant’s undersigned counsel at the number noted below if it will advance the prosecution of this application, or with any suggestion to resolve any condition that would impede allowance. In the event that any extension of time is required, Applicant petitions for that extension of time required to make this reply timely. Kindly charge any additional fee, or credit any surplus, to Deposit Account No. 50-3938, Order No. 01-1040.

Respectfully submitted,
BGC PARTNERS, INC.

Dated: July 15, 2009

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